

MINUTES – MAY 21, 2013

The Caswell County Board of Commissioners met in special session at the Historic Courthouse in Yanceyville, North Carolina at 3:30 p.m. on Tuesday, May 21, 2013. Members present: Cathy W. Lucas, Chair, Kenneth D. Travis, Vice-Chairman, William E. Carter, Larry G. Hamlett, Nathaniel Hall and Jeremiah Jefferies. Absent: N. Kent Williamson. Also present: Kevin B. Howard, County Manager, Gwen Vaughn, Finance Director, and Angela Evans representing The Caswell Messenger. Paula P. Seamster, Clerk to the Board, recorded the minutes.

MOMENT OF SILENT PRAYER

Chair Lucas opened the meeting with a Moment of Silent Prayer.

BUDGET WORKSHOP OVERVIEW OF PROPOSED BUDGET

Mr. Howard stated “I will go back over the Budget Overview. It is on Page 5 on the iPads. This is just a recap of what I presented to you at our last regular meeting. The revenue numbers have changed from what you have and we will go over those when we get to that but it is a significant increase in revenues than what we told you before based on, we used the tax values from the audit. We use numbers from Thomas and we were waiting on state numbers. We got the numbers in from him which was significantly higher than what we had based the budget on.”

Chair Lucas asked “So these numbers have changed, that is what you are telling us on revenues?” Mr. Howard responded “The property tax has changed. Nothing else has changed and the total amount of the budget has increased. I am going to skip over the first part because those numbers are not the same. I will go over that in just a second. The proposed budget includes no tax increase. The current tax levy is 65.9 per \$100 valuation. The budget is based on current salaries, benefits, mandated services and operation expense that we currently have. There is no cost of living increase in the proposed budget that you have. At the time that we did this the contingency was \$150,690 and the contingency now is \$589,598.” Chair Lucas stated “Explain that, the contingency.” Mr. Howard responded “This is the difference between revenues and expenses in the budget that I have given you so we have \$589,598 that is unspent in the budget that you received. We put that in the contingency line item...” Chair Lucas asked “Is that in the current budget, is that what you are saying?” Mr. Howard responded “No it is in the proposed budget for the next fiscal year.” Chair Lucas continued “So you had that much more in revenue than expenditures and that is contributable to the change in the property taxes?” Mr. Howard responded “Part of it is in property taxes. The change in what you have is contributable to property tax numbers that we got from Thomas.” Commissioner Hamlett stated “That is good.” Mr. Howard continued “That is about a two hundred million dollar increase in the total valuation of the county. It went from 1.4 to 1.6 billion in total value. We got these number Friday and usually he is under. There is an appropriated fund balance for Public Health administration of \$260,692. Usually he does not use this every year but it is in there to balance the budget. One change in this year’s budget is due to the change in the Retirement System. Effective July 1, 2013, it increases by .33% which equates to an increase in the County’s cost of

\$43,793 that we have to put in retirement in addition to what we have been putting in the past. There were talks about the liability insurance having a reduction we got out actual numbers last week and there is a \$68,000 increase in the budget for Liability and Workers' Comp. insurance. I have asked for other quotes on that and I have not received those yet so that could go down. Local government unemployment insurance – effective July 1, 2013 under a new state law we have to establish an unemployment insurance account to contribute 1% of our quarterly taxable wages until a cap is reached. In the proposed budget that is an increased amount of \$33,300 for a total cost of \$73,300. The General Assembly changed the laws for unemployment insurance due to having such a high unemployment rate due to the recession. The federal government is trying to paying that off, recoup and build the fund again instead of charging everybody more for unemployment insurance. The two largest departments: Public Health – the proposed budget includes a general fund contribution of \$401,715. The Department of Social Services – the proposed budget includes a general fund contribution of \$1,334,932.”

Chair Lucas asked “How do they compare to last year?” Mr. Howard responded “Public Health has an increase of \$14,000 over last year and it was an actual decrease for Social Services.”

Mr. Howard continued “Public Schools operating fund is the same amount we put in last year. We will get into their budget a little bit later and how much they actually asked for. They asked for \$3.474 million which is an increase of \$984,074 over the current fiscal year. In Capital Outlay they requested \$450,000 which is an increase of \$150,000 over the current fiscal year.”

Chair Lucas asked “Where do we stand with their capital outlay now? Have they expended what we appropriated for last year?” Ms. Vaughn responded “We give them an allocation each month. We don’t get a report on what they spend it on or how they spend it. Whatever is budgeted in the allocation is sent to them.” Chair Lucas continued “How much have they spent of what was budgeted?” Mr. Howard responded “We would have to ask for that. They don’t send us a report.” Chair Lucas asked “We don’t get that in our report?” Mr. Howard responded “No ma’am. They may have given you something based on how their fund balance or given you reports in the past on how they are going to spend their fund balance. That might be what you are thinking of. They tell you in the budget but they don’t tell us how it was spent and if it was spent on what they told us.”

Mr. Howard stated “PCC requested \$215,000 in capital expenditures which is \$180,000 over the current year. The other is the same as the current fiscal year. School Debt for FY 2013-14 is \$294,100 that is a decrease of \$10,000 from the current fiscal year. Payments are appropriated from restricted sales and use tax distributions from the Department of Revenue. This is the final year for the bond where we redid this building which is \$127,450. So next year we will not have that payment anymore. The principal interest payment for the Detention Center project is \$723,631. Installment Debt that we had in this year’s budget is the payments for the EMS medical equipment that we purchased this year of \$30,516 and Emergency Telephone equipment upgrade of \$74,149 and that is paid by the 911 fund. I am going to stop with that because we are going to talk about fund balance as part of this. Any questions on any of that?”

Commissioner Jefferies asked “I have a question, paying off the school bond means we have enough to pay on this new project?” Mr. Howard responded “The way it is set up is the bond for

the Detention Center increases until the debt is paid off. The school bond is not paid off next year; the bond for this building is so that could help offset any increase in payment for next year.” Commissioner Jefferies continued “That is what I was asking?” Mr. Howard responded “Yes sir that is how it was structured.”

Chair Lucas asked “So our total debt service as of the end of 2012 is \$773,267 and you are proposing \$1,341,454?” Mr. Howard responded “That was the school bond and then the payment coming off. There is a little more debt service in there.” Chair Lucas continued “That would make up the difference in the detention center payment I think.”

Mr. Howard stated “This is April 30th, the close of the month for April. Revenues were at 79% which is \$17,856,514 and expenditures were at 78% which is \$17,480,453. I am not going to go through each one of these but this is each revenue source and where we stand in the current fiscal year. I am going to hit some highlights just to give you some idea of why some of the revenues increase for the proposed budget. Current year tax collections as of April 30th were at 101%. It is over projected three quarters of the way through this fiscal year. It slows down during the last part of the year so we will see more collections come in for that. Sales tax restricted and unrestricted, both numbers are low but remember we collect in August for that so it is behind everything else as far as the percentage goes. We are running about 3% right now behind projections and it kind of has held that each month so at the end of the year unless it picks up this summer it could be a little bit off. Another area where we saw a large increase in revenues was the Medicaid Relief/Hold-Harmless...What did we budget?” Ms. Vaughn responded “I think it was \$150,000.” Mr. Howard continued “We budgeted \$150,000 and we have actually received \$272,873. The budget is based on a projection that we get from the Association. This number fluctuates based on how well sales are going statewide. This offsets them taking one of our sales taxes when they took over Medicaid. If statewide retail sales are going up and they are collecting sales tax higher than a certain amount then we get money back as an offset. General Fund Expenditures they are all running right on normal. The reason debt service is so high is because we have paid off all the debt this year so that is why it is at 94%. We have made all of our debt payments. The second page show the Calculating Tax Rate for this year and that gets in proposed revenues. I will touch on this but you may want to bring Thomas in so he can discuss this more with you if you would like.”

Commissioner Hamlett asked “Let’s go back a minute, the 911 Emergency Telephone Service we have \$382,100 in fund balance?” Mr. Howard responded “Yes that is the money that was moved over for other public safety uses so that is what that money is.”

Mr. Howard stated “The budget numbers for this year were based on a total tax and value of \$1,466,000,000 which is on the last page for 2013 and the current fiscal year was based on that number at a 95.82% collection rate. For 2014 that is based on an increase of \$1,609,000,000 in total value and the collection rate for the last fiscal year was 97.48%. That is the big reason for property tax revenues for the budget this year. We are projecting in property tax revenues \$10,336,107.”

Chair Lucas asked “Kevin on the Motor Vehicle on the worksheet it is left blank. We have \$400,000 in there but there are no numbers to the left of that.” Mr. Howard responded “We

changed that. When we put that together we were going to try to track the motor vehicle since that money has changed on how it is collected. It is going to go through state. We thought by having a line item for it we might be able to track that. We are still going to track that. We are just not putting a number there. Everything in the past has been figured under one number which is the 1.46 million that is total property and vehicle value so we are basing the numbers in the budget at \$10,336,000 which would include the vehicle numbers as well.” Ms. Vaughn added “The line item was added because of the tag and tax together. We will receive revenue directly from the state and it will be recorded in that line item.” Chair Lucas asked “So we have \$400,000 added in the revenue side of the budget?” Ms. Vaughn responded “Actually we have made the change and...” Chair Lucas continued “And it is not in there?” Mr. Howard responded “In the current fiscal year that number is included in the total property valuation that is why it does not show up on the line down there. When we put the proposed budget together we decided that we wanted to track that separately so we could see what is coming in based on the state doing those collections.” Chair Lucas asked “But it is added in the total?” Mr. Howard responded “Yes but what we are proposing now is based on now is the new numbers from Thomas keeping it one number in the budget like we have had it in the past and then basing it on that. We were trying to separate it ourselves and we were not comfortable with continuing to do that as we talked about the budget. Then the last page is just to give you a Tax Valuation History with what we have had in total value. It breaks out the four values over the last 2 years, the current fiscal year and the proposed year. Then the next section shows you how each budget year has finished as far as revenues versus expenditures. Each year we know we have had a fund balance increase because we have had more revenues than expenditures.”

Chair Lucas asked “So he is projecting a 97.48% collection rate?” Mr. Howard responded “That is based on the audit number. State law requires us to base it on the previous fiscal year’s audit. We can’t go any higher than what that number is.”

Commissioner Carter asked “What do you project our fund balance to be at the end of this year?” Mr. Howard responded “We are not projecting a whole lot this year. It is hard to project this year due to the detention center going over the timeframe. We are losing those revenues that we would have had with inmates in there. It looks like we are going to be over but I would hate to tell you right now.” Commissioner Carter continued “Where are we at right now?” Mr. Howard responded “As of April 30th revenues were ahead of expenditures by 78% but now that is not, not all of that is money that we can touch. Some of that money would be health dedicated. There is money that we can’t use in the next year for that same program.” Commissioner Carter asked “On fund balance where are we on that?” Mr. Howard responded “Right now we are at 24.64% as of June 30, 2012.” Chair Lucas stated “I think what he is asking is what is it currently.” Mr. Howard responded “We don’t know for sure until the fiscal year ends. As of April 30th revenues were ahead of expenditures by about \$370,000 but with 3 months left in this fiscal year I can’t say that is what it is going to be at the end of the year.” Commissioner Carter asked “How much do we have in it now?” Mr. Howard responded “As of the end of the last fiscal year it was \$5,532,000 in it.” Chair Lucas asked “But currently?” Mr. Howard responded “Right at \$5,000,000.” Commissioner Carter stated “I think we have made good progress. I remember when I first came on the Board we were getting letters from the LCG and we were right at 8%. I think we have done really good to go from 8% to 24.6%.”

Mr. Howard stated “Next we will go to Department Request by Function. She is going to hand out a sheet so we can give it all to you on one thing instead of trying to flip through the overview. These are requests not included in the budget. General Government – Personnel \$540 and we will break these down. I will give you an overview first. Capital Outlay \$391,425. Public Safety – \$266,488 in Personnel, \$246,576 in Vehicles and \$306,943 in Capital Outlay. Economic and Physical Development - \$85,000 in Personnel and \$11,756 in Capital Outlay. Cultural & Recreational - \$19,494 in Personnel, \$28,500 in Vehicles and \$32,500 in Capital Outlay. Human Services - \$108,000 in Capital Outlay. Public Education - \$1,099,325 in Personnel, \$365,040 in Capital Outlay and in Other Request there was \$125,000 and Special Appropriation we had a request of \$26,000.”

Commissioner Carter asked “And you said none of this was in the proposed budget?” Mr. Howard responded “No sir. Every year what is asked for is a whole lot more than what is actually in the budget. I will pay that Public Education is a whole lot higher than what they asked for in the past.” Commissioner Carter asked “Do you have any of the Sheriff’s vehicles in this budget?” Mr. Howard responded “No sir.”

Mr. Howard continued “The next section is requests included in the proposed budget. General Fund/Sub Funds - \$13,259 in Personnel and \$85,000 in Capital Outlay. Enterprise Funds - \$298,000 in Vehicles and \$27,555 in Capital Outlay. The second page breaks these down as to what each department asked for. In General Government Administration I think I have talked about this in previous meetings, I would like to set up a county fleet for where employees come and check out a car or trucks or whatever fits their needs on what they need to do at the time instead of paying mileage. This is a request for \$105,000 to buy 6 vehicles: 3 sub-compact cars, 1 mid-sized car, 1 van and a standard cab 4 wheel drive truck. The Finance Office has a request for the Timekeeping Program that we have talked about in the past at a cost of \$67,600. The Tax Office requested Pictometry to take new aerial photographs at \$32,625 and GPS Software for addressing at \$7,500. Part of that is with talks in the Tax Office of taking over addressing from 911 so the systems would mesh better and they would need that to do that. Elections requested an increase in their board member’s compensation from \$60 to \$75 per meeting.”

Commissioner Carter asked “Kevin can I ask you a question, the GPS software addressing does that not come out of the 911 budget?” Mr. Howard responded “No not if is used in the Tax Office.”

Mr. Howard stated “IT is for Network Infrastructure Enhancements. A lot of this would be spent in this building for improvements to the wireless network and in other buildings some security. Maintenance – there are a lot of requests. I put some of the larger capital projects in there. They requested to replace a 1987 pickup truck at \$24,000 and the old 1995 van they use for \$22,000. We projected parking lot paving needs at \$150,000. 2 new lawnmowers at \$6,000. Part of the Agriculture Building’s roof needs to be replaced at \$33,000. The area of Guilford Mills that we did not replace this last time has started leaking recently and that is a cost of \$49,000. They are request to install a ramp at Guilford Mills so they can pull vehicles up in that area and do work on those at \$8,500. Replace the HVAC at the courthouse. I hate to put in the high number because we have not discussed that yet but I did put the high number as to what the engineer said when he came to meet with you all which is \$750,000. We are waiting on estimates for DSS and

Section 8/Probation HVAC. These can come out of the normal budget. There is a separate small unit on the roof of the courthouse that serves the magistrates office that is separate from the rest of the system. It needs to be replaced at \$3,000. We need to install handicap doors at Elections. We don't have an estimate on that at this time. The Ag Building steps at the fire exit, we took the old steps down, there are some steps that go up to this front door here on the side, that is \$1200 to do that. Again that will come out of the regular budget. Elections paving is \$8500. We need to redo the access road to the water tank in Pelham and that is \$3500 to redo that. The Sheriff's Office asked for 6 patrol vehicles completed outfitted at \$183,576 or \$30,596 for each car. 911 Telecommunications, they asked for a 4% salary adjustment. That is based on all of them are now certified for that new program they have at \$27,556. He has requested to move some from part time to full time status. He feels that will better cover what they need to do and that is an increase to do that of \$18,000 and then his building upgrade, this is to upgrade radios that is not covered by 911 funds of \$30,000."

Commissioner Carter asked "Can any of that come out of the 911 funds?" Mr. Howard responded "No sir that is why it is over here. There are some radios that need to be upgraded and we cannot use the 911 funds based on changes to the VIPER system. Building Inspections requested a full time position. That is basically the part time position going full time. That is \$24,070. A pick truck, it says \$26,000 but that actually could be about \$18,000." Commissioner Hamlett asked "Is that Woodrow?" Mr. Howard responded "No sir that would be if we got the full time position. They have an old truck over there and it has 180,000 miles on it. It is worn out. What we actually proposed is if we do that fleet we would have a 4 wheel drive truck, they like to drive a car most of the time but if they went somewhere that they needed a truck they would drive the truck to save on gas. He talked about getting some permitting software that will allow him to do more stuff online instead of the way they are doing it now. That is around \$25,000. Emergency Management first is repairs to the EM truck at Diesel Engine. It has a head gasket that needs to be replaced. That is \$5,000. Upgrade radios for EM is \$6,000. They are requesting a boat and trailer at \$11,900. Lifesaving equipment at \$1,100. Widening a garage door at Guilford Mills to allow them to park trailers in there at \$10,000. A metal building at the EMS base 48' x 36 at \$20,443. The reason for the boat is they would like to start a water rescue team and it would cost about \$15,000 to outfit it and then to purchase more animal rescue equipment at \$2,500. Again these are in the budget that was proposed to you. EMS requested to add 3 new medics to restructure. This is salary and benefits for 4 people at \$196,862 and they requested 3 vehicles: a vehicle for the director at \$32,000, Remount 1 ambulance at \$105,000 and then a Dodge Sprinter at \$80,000. Economic & Physical Development – For Economic Development I am requesting \$50,000 to go towards an economic developer and we can discuss that in detail later. Planning has asked for a Planner II to help enforce Outdoor Storage and if the UDO is adopted then there will be administration of that at \$35,000. Cooperative Extension has asked for some upgrades to their kitchen at \$11,756. Soil and Water asked for a salary adjustment of \$3,000. Cultural & Recreational – Parks & Rec. requested taking a part time position to a full time position to help more with Youth and Teen programming. That is \$19,494 for salary and benefits. To add air conditioning to the gym at a cost of \$25,000. We actually got a grant for half of that so it would actually be a cost of \$13,000 for the county. We received a grant for \$12,000 to do that. They do the Zumba classes and other classes in the winter time and in the summer time it is just too hot to continue those so those programs have to stop or they have to find somewhere else to locate. It would allow us to use the gym more than what we can

right now. Then replacing a lawnmower at \$7,500. Farmer Lake requested a pick-up truck at \$28,500. Actually that can be replaced at about \$20,000. State contract for a standard 4 wheel drive truck is \$20,000 and that includes striping and everything. Public Health requested that a bathroom be put in where Environmental Health, Inspections and Planning are at \$16,000. They want a generator added to the building to produce power in the building where the refrigerators are because if the power goes out the vaccines that they have needs to be at a certain temperature so that is \$10,000. DSS asked for a scanning system to implement electronic storage at \$50,000. Senior Services requested paving in the back area and to reline the parking lot at \$17,000. Replace computer in the lab at \$9,000 and to replace staff computers at \$6,000. That is all for the county departments. Public Education and Schools. Do you want me to go through all they requested in detail? Teacher Supplements they requested \$210,000. Signing bonuses of \$50,000 to recruit highly qualified math, science and EC teachers. Benefits increase \$5,076 to retirement and insurance rates. \$169,730 for the Navy NJROTC program. \$210,845 to fund 8 full time education positions due to the loss of state funding. Part time position to assist the Superintendent of \$26,913. \$194,191 for three assistant principals. A prevention/drop out specialist at \$63,914. Full time Athletic Director at \$59,704. Athletic Trainer stipend \$4,269. Assistant Finance Officer at \$63,694. Increase in fuel cost no covered by the state at \$100,000. A policy manual update - a legal cost of \$25,000. Then they asked for an additional \$150,040 for Capital Outlay for a total of \$1,333,376 over the current budget.”

Commissioner Hamlett asked “Do they have any of this right now?” Mr. Howard responded “Not funded by the county, no sir.” Commissioner Hamlett continued “Last year, year before last?” Mr. Howard responded “A lot of these were funded by the state. The ROTC program from what I understand is the Navy is pulling their portion of their funding due to the decline in student participation.” Commissioner Hamlett asked “Two assistant principals and this other stuff is that new stuff that they are asking for?” Mr. Howard responded “The only new position that they told us was the assistant finance officer and the part time position to assist the superintendent.”

Chair Lucas asked “Do they have assistant principals?” Mr. Howard responded “No they have lead teachers. The assistant principals are new too.” Chair Lucas asked “And this amount would be in addition to what they have already requested?” Mr. Howard responded “Yes ma’am.” Chair Lucas continued “This \$1,333,376?” Mr. Howard responded “Yes ma’am.” Ms. Vaughn added “That is the total for this list but if you look at the list of what they asked for it is slightly higher because they just gave us a ballpark figure for some things.”

Mr. Howard continued “PCC asked for \$40,989 for Caswell campus coverage of maintenance staff. HVAC upgrade system replacement \$65,000. Replace carpet in the K building for \$30,000. Upgrade exterior light at \$10,000. Resurface the parking lot at \$40,000. They want to build a metal building to house the film program for \$70,000. They are currently renting space in town for that and they want to move it on the campus. I did talk to Dr. Bartlett about the parking lot resurface about us including that when we bid out our parking lots so we might be able to save some money by doing that. Next page, General Fund/Sub-Funds this is included in the budget. Court Facilities asked for \$10,000 for make modifications to enhance security. Section 8 Housing asked to change a part time position to full time position for \$13,259. They would like to replace the vehicle. Both their vehicles are old. If we did that it would be general

fund monies because they don't have enough money to cover that coming in from the federal government." Chair Lucas asked "Did you say this was included in the budget?" Mr. Howard responded "The salary is. The vehicle is not."

Mr. Howard continued "Emergency Telephone System \$75,000 this will provide ID of responders in the field. This is included or covered by the 911 funds."

Commissioner Jefferies asked "Do you think that Section 8 needs to be moved to a full time position?" Mr. Howard responded "A few years ago we had 3 full time position and we took one of them became 2 part time positions. One of the part time positions does inspections and the other one helps in the office. What they are asking is the one in the office goes to full time to help cover." Commissioner Jefferies continued "That is what I am saying; they have 3 full time positions over there now." Mr. Howard responded "They have two part time and two full time." Commissioner Jefferies asked "Do you think there needs to be another full time position over there?" Mr. Howard responded "I think so yes for the paperwork and for what they are having to keep up with. This position will do more in the office and free up Angy to help with inspections as well."

Commissioner Hamlett asked "Have they had a big increase?" Mr. Howard responded "They have opened up for applications." Commissioner Hamlett continued "So they are taking new applications so they have more funding?" Ms. Vaughn responded "I think they are taking applications at this time and then they will have to look at the funding. They have to meet a certain ratio." Commissioner Hamlett asked "Is the money there for them if they qualify because I heard they were capped out on money, is that true?" Mr. Howard responded "They are taking applications and for a while they have been taking applications. Part of this is as things open up they will be able to move in. For a while the federal funding decreased and they could not place any new people. You were not here for that last year but the funding increased tremendously. They were forcing us to spend down the fund balance so they decreased the monthly allotment until we got down to a certain point and then they increased it back up again."

Mr. Howard stated "Enterprise Funds, this is included in the budget. Solid Waste needs to replace their roll off truck. It is \$152,000 for one of those. Then a tractor for \$60,000. That includes the tractor, a trailer to tow it on, bush hog and a front end loader for the tractor. We would use that for Solid Waste and we would also use it at the Industrial Park in Pelham to mow the grass and maintain the road over there and it has a box blade." Commissioner Hamlett asked "This will come out of his fund balance right?" Mr. Howard responded "Yes their fund balance is right at one million dollars." Commissioner Travis stated "That must not be much of a tractor if it is not going to cost more than that. What brand is it?" Mr. Howard responded "It is right at the top of my head. They got quotes on it. I think it is a John Deere." Commissioner Hamlett asked "Is that the most that has been in their fund balance, one million dollars?" Mr. Howard responded "Yes it is at the highest point now. Then you have to replace the two compactors at \$27,555."

Commissioner Carter asked "Whatever happened to that building that we approved for them to put out there for all that trash?" Mr. Howard responded "He is working on quotes for that. We

will probably talk about that later in the budget. We don't have it on here but he has money in the fund balance to cover that in the recycling area."

(At 4:22 p.m. Commissioner Hall enters the meeting.)

Commissioner Travis stated "Yes but all they need to do is build a building over there any put tin around it." Mr. Howard responded "What he is talking about is putting chain length fencing around it. Something to keep the trash from blowing out." Commissioner Travis continued "If you built a building like this and divided it up like you wanted it and put gates on it you would have your problem solved over there." Mr. Howard responded "What we were looking at was trying to put a building over the dumpsters as well and he is getting a quote on that too."

Commissioner Jefferies asked "Do you think they can open another convenience site because the one in my area always stays full. Over at Estelle that place stays full." Mr. Howard responded "I will talk to him about having another pull. Maybe they need to have it pulled once more during the week." Commissioner Jefferies continued "I think we need to think about opening up another one maybe in Semora."

Commissioner Carter asked "Do we have any money left over for the HVAC at the courthouse?" Mr. Howard responded "Yes there is \$150,000 left in the capital fund." Commissioner Carter continued "Do we have enough in that to do the magistrate's office?" Mr. Howard responded "What I was going to propose that we prioritize these projects and what needs to be done. If you want some of this to be done now we can and if not we can wait." Chair Lucas asked "What are you talking about?" Mr. Howard responded "He was asking about the HVAC, I was going to bring a proposal to the next meeting on how to divvy up the capital improvement funds on the courthouse and paving and vehicles." Chair Lucas continued "So what is left in the Capital Fund now?" Mr. Howard responded "It is about \$150,000 left." Commissioner Carter stated "Chairman Lucas what my question was do we have enough money to do the HVAC on the magistrate's office instead of including it in next year's budget." Chair Lucas asked "What is that room going to be used for once the magistrates move to the new detention center?" Mr. Howard responded "They will still use it for small claims court and they could have a smaller court in there. It will stay the same way it is now. We will probably spend that out of the regular maintenance budget because it is only \$3,000 to do that."

Commissioner Carter asked "What kind of a lawnmower did the Parks & Rec. request that costs \$7,500?" Mr. Howard responded "It is one of the industrial zero turn degree lawnmowers. We can probably get one cheaper than that." Commissioner Travis asked "Where did they price it at, do you know?" Mr. Howard responded "I don't know." Commissioner Hamlett asked "The one they have is blown up?" Mr. Howard responded "Yes it is 15 years old I think. They have to get a certain kind to mow the ball fields." Commissioner Hamlett stated "We could get one for maintenance and that."

Chair Lucas stated "Kevin could you explain this to me. It says request is not included in the proposed budget and it is in general terms and then you have requests included in the proposed budget. Is it this color that is include and the orange is not included?" Mr. Howard responded "Correct." Commissioner Travis stated "The green is included." Chair Lucas continued "So

anything that is in the orange color is not included in the budget?" Mr. Howard responded "Right, everything except for when you get to page 7." Ms. Vaughn added "Page 7 and 8 are included." Commissioner Carter asked "Did you say pages 7 and 8 are included in the budget?" Mr. Howard responded "Yes sir." Ms. Vaughn stated "The list on page 1 at the bottom says included in budget, the details are on pages 7 and 8." Mr. Howard stated "The first page is a general overview and then each page breaks down each departmental request down or each function down." Chair Lucas asked "So pages 2 – 6 is not in the budget?" Mr. Howard responded "Correct." Chair Lucas continued "On the General Fund that was included the \$13,259 did you say that was and the \$85,000 is for capital outlay?" Mr. Howard responded "Yes." Ms. Vaughn added "That is the Court Facilities building improvement and the radio upgrades on page 7."

Mr. Howard stated "I did not do CATS but they are up to replace 2 vans next year that is 90% state funds and 10% local funds." Commissioner Hamlett asked "How much money is in that fund?" Mr. Howard responded "About \$200,000." Commissioner Hamlett continued "They need to work on that." Mr. Howard responded "Well when we built their building we spent out of that fund." Commissioner Hamlett stated "At one time it was about a million in that fund." Commissioner Travis responded "The biggest part of that was spent when we built the building over there."

Commissioner Travis asked "What is he planning on pulling that tractor and trailer around with?" Mr. Howard responded "The truck for maintenance is for an F-250 and we will use that to pull it. We will take the old truck and replace it with an F-250 to pull the tractor around. Tim will not take it anywhere unless he takes it to the convenience sites." Commissioner Travis stated "I would like to see what kind of tractor they are looking at buying?" Mr. Howard responded "I can get all that information." Commissioner Travis continued "It is not much of a tractor if you are going to get all that equipment and trailer with it." Commissioner Carter asked "Did you say it was going to have a bush hog too?" Mr. Howard responded "Yes it is a bush hog, a scrap blade, and a front end loader." Commissioner Carter asked "Will they be able to use that at Farmer Lake?" Mr. Howard responded "Yes." Commissioner Travis stated "That truck he has over there has about 200,000 miles on it." Mr. Howard asked "Tim's?" Commissioner Travis responded "Yes it has a lot of miles on it." Mr. Howard stated "I don't know how many miles his work truck has."

Chair Lucas asked "Does anybody have any questions for Kevin on anything we just went over specifically in this report?"

Commissioner Carter asked "The only question I have is what are you looking at as far as a total that is not in the budget or on the wish list?" Mr. Howard responded "\$4 million." Commissioner Travis stated "That is a whole lot of taxes." Ms. Vaughn stated "That is why we gave it to you in one document so you could look at it and maybe you can use this to highlight what you would like to add or question about getting additional information. We wanted to put it all together so you would not have to go through the book and kind of sort through it."

Commissioner Travis asked "On those 2 vans there we would have to pay what \$8,600 on them right?" Mr. Howard responded "Yes sir." Ms. Vaughn added "Yes it is 10% and that comes out

of her fund. That is not out of the general fund balance. That comes from her revenue.” Commissioner Travis continued “So this line item right here has nothing to do with the taxes.” Mr. Howard responded “Correct. The budgets that we have requested in there are both Enterprise Funds so they are fully paid out of those two funds.” Commissioner Travis stated “That landfill fund comes out of what people pay.” Mr. Howard responded “Right but it is not general fund profit. It all comes out of that landfill fee.” Commissioner Travis continued “The Solid Waste fee.” Mr. Howard responded “Right the Solid Waste fee comes in on the property tax bills and then any fee that they collect themselves on metal or recyclables. While we are talking about Solid Waste I went out today and they had installed those gas vents. They took those reading last week and they came back at zero. They will take another reading in 3 or 4 weeks.”

Commissioner Carter asked “How much do we have in the Solid Waste fund?” Mr. Howard responded “\$1,050,000.”

Chair Lucas asked “If everybody has their workbook with you if we could turn to the revenue section, page 1. If you will look to see if you have any questions for Kevin.” Ms. Vaughn added “That is Section 2.” Chair Lucas continued “He covered the Tax Collections and the changes there.” Mr. Howard stated “Commissioner Hall was not here when I address that. When we proposed the budget it was based on the property valuation in the audit from last year for \$1.466 billion. We got numbers from Thomas Friday of \$1.609 billion total value so we have increased what we have in the budget revenue wise based on those numbers so we have a contingency in there on revenues over expenditures of about \$600,000.” Chair Lucas asked “Will you receive the sales tax numbers as well?” Ms. Vaughn responded “If you would like to make a note on Line 30 of page 1 that \$9,417,484 would change to \$10,336,107 and zero out the \$400,000 just underneath that for Motor Vehicles.” Chair Lucas asked “Just take the \$400,000 out?” Mr. Howard responded “Yes that is included in the top number.”

Chair Lucas asked “I have a question on Page 3 about the Clerk of Superior Court Facility fees is there concern about the revenues going down in here?” Mr. Howard responded “There is concern. It is my understanding, the reason that is because the judges are not charging those fees when they are hearing the cases.” Chair Lucas continued “So it is up to the judge?” Mr. Howard responded “Yes ma’am.” Commissioner Hall asked “Say that again. I missed something.” Mr. Howard responded “The Clerk of Superior Court fees they are off this fiscal year and my understanding is the judges just are not charging those fees when they are hearing the cases or they are not being assessed.” Commissioner Hall stated “The judge is not charging them.” Mr. Howard responded “Yes.” Commissioner Hall asked “Does the judge have that authority?” Mr. Howard responded “Yes sir.” Chair Lucas asked “The logic is not there.” Commissioner Hall asked “Who is the Superior Court judge?” Mr. Howard responded “This is mostly from District Court. The two judges are Judge Gentry and Judge Galloway.” Commissioner Hall continued “So the Superior Court Judge does not make that decision, whoever is sitting there makes that decision, is that right?” Mr. Howard responded “Correct.”

Chair Lucas asked “I had a question Kevin on the Sheriff’s Fees and Permits?” Mr. Howard responded “Yes ma’am.” Chair Lucas continued “What is going on with that? Year to Date as of April 30th it is \$5.” Ms. Vaughn responded “I noticed that. I believe that some of that has

been coded incorrectly. With the new staffing it could be that they are posting it into the wrong line item. I notice that also.” Chair Lucas asked “It seems like it is changed from June 30, 2011 \$22,682 to last year \$1,830 it has consistently gone down and we are estimating \$4,000 this year?” Ms. Vaughn responded “Yes. I will check on that.” Mr. Howard stated “The \$22,000 that could be a high number something could have happened during that time as well.”

Commissioner Hall asked “Are you all going to look at all of these revenues closely, somebody going to kind of analyze them and then pick the ones that are way out whack and take a quick look at them?” Ms. Vaughn responded “Yes sir.”

Chair Lucas stated “Well actually the civil fees is what was off on page 5. On page 5 year to date it \$25,266 and as of June 30, 2012 it was \$51,389.” Commissioner Hall stated “That is why I asked if somebody was going to take a look at them because it looks like we did a whole lot of concealed weapon permits too. With \$18,000 that is a lot of concealed weapons permits in this county.”

Chair Lucas asked “On the Detention Center revenues Kevin how are we handling that?” Mr. Howard responded “Right now the budget is absorbing that loss of revenue. Due to increased tax collections and we brought in more money in the Medicaid/Hold Harmless, over twice as much.” Chair Lucas continued “When we get over to the expenditures side of the detention center it is out of balance.” Mr. Howard responded “That does not affect the expenditures. All that affects is the bond payments.” Chair Lucas stated “This is operating.” Mr. Howard responded “Right but those revenues are not coming in. Now the expenses are lower because we don’t have those inmates in there. You don’t have the food cost.”

Commissioner Jefferies asked “On this court cost, is some of this cost for DSS?” Mr. Howard responded “That cost is in the DSS budget.” Commissioner Jefferies continued “So that is not in this part?” Mr. Howard responded “No sir.”

Commissioner Carter stated “People must not be drinking as much as they used to. I noticed that the ABC profits have gone down.” Mr. Howard responded “I don’t know what is affecting that.” Chair Lucas asked “Does that come in later as well?” Ms. Vaughn responded “It does. It comes in quarterly and sometimes we don’t get it until sometimes September or the 4th quarter.”

Chair Lucas asked “If you will go to page 13 on the FHA Rent, is there a reason for that?” Mr. Howard responded “That is the one that moved out at the end of the fiscal year.” Chair Lucas asked “What did you tell us about the Medicaid?” Mr. Howard responded “The Medicaid/Hold Harmless if you will turn to page 14. We budgeted about \$150,000 that is based on a projection that we get from the Association. They send out a letter to all the counties. Last year we brought in more. We just used the number that they gave us at \$150,000 but we brought in \$272,000. We budgeted \$105,000.”

Commissioner Carter asked “On page 6 under the Sheriff’s Federal Reimbursements it says year to date it says \$82,432. It is my understanding that by the end of June they would have brought in \$222,000 for housing.” Mr. Howard responded “If they stay the way they are and they are maintaining 10 a month they will bring in that much this year.” Commissioner Carter continued

“Once we get into the new jail it will be more right?” Mr. Howard responded “We have a projection of \$419,000 for next year. If you will notice this year we project more federal and less state and next year they think they will more state.” Commissioner Carter stated “If they are projecting 221 we should have a surplus at the end of this budget year.” Mr. Howard responded “No sir we budget \$544,000 for this current fiscal year and that was based on us getting into the jail January 1.” Commissioner Carter stated “The way I understand it once they get into the new jail they are going up on their fees plus they will be able to house more.” Mr. Howard responded “Correct once we are in the new jail they will use the new budget to figure what they charge, to charge the federal marshals, the state is a set rate. We can’t change that. The marshals are based on the total budget so there is some kind of formula they look at to come up with that number.”

Chair Lucas asked “Kevin on page 16, the Transfer for School Cap Reserve for \$300,000 is that automatically \$300,000 every year?” Ms. Vaughn responded “That is a safe number based on the sales tax of what they would have in reserve. We don’t want to get this down too low because we use the sales tax to pay the bond payment so we always want to have a balance there to carry over for the upcoming year every year to be able to pay that school bond payment.” Chair Lucas asked “What is the difference between the capital reserve and the transfer principal?” Ms. Vaughn responded “The transfer from school capital on line 614 that is strictly sales tax restricted funding or sales tax distribution. That is over and above the \$294,100 that is going to come from sales tax. On line 616 that is going to pay for the bond payment and on line 614 that is to offset some of the fees, some of the cost to go to the schools for capital outlay.”

Chair Lucas asked “Any other questions on the budget for the revenue side of it?”

Mr. Howard stated “We kind of did a schedule for the next three sessions.” Chair Lucas stated “We just completed Session I.” Mr. Howard continued “Now the next one is obviously Expenditures. There is a lot of discussion on that portion of it. Session II is basically to go through expenditures, discuss the health and wellness initiative that you asked us to bring back to you, and then I will give a recommendation on the capital needs based on everything that was asked for. Session III we thought you may want to set that one up for a time for certain departments to come. We picked the 5 biggest ones. Then the last session, Session V is on 3-5 year projections. I have an employee merit raise program I would like to present to the Board to do in lieu of a cost of living increase this year. Discuss revaluation and based on the discussions Tax Rate whether to stay the same, up or down. We are being very bold in saying we will have a finalized budget and adoption after the fourth session.”

Chair Lucas stated “Like for Session II where we have review of expenditures it might take another session there. We might want to break it down maybe in to two sessions and everybody just come prepared if they have concerns about any department or any specific expenditure.” Mr. Howard responded “It very well could be that second session after two hours...” Chair Lucas continued “I feel like we can maybe get through maybe four departments in Session II and then maybe come back and finish the rest depending on how the other commissioners feel.”

Commissioner Hall stated “I can’t see why we can’t do them all like they have laid out. We have gone through this for the last 15 or 16 years going line item by line item and looking at stuff. I am just saying that is time consuming I think if we have a legitimate question as it relates to

program operation by all means raise it but to go down here and say this line item is up \$50 over that line last year why is that is a waste of time. That is not what we are here to do as commissioners. We are to set policy. The budget officer and his staff can look at those lines that is why I asked early on if somebody is going to look at those before and see why they are out of whack. We don't need to try to figure out why they are out of whack, they should tell us and the same thing with the process. We can probably do this faster than you think is what I am saying."

Mr. Howard stated "Today I was figuring about 2 hours to go through all of this but that is the revenue side. The expenditure side always has more discussions."

Commissioner Carter stated "I think last year and correct me if I am wrong but last year we went around and asked if we wanted to go line item by line item by what Commissioner Hall state but we did not go line item by line item last year." Commissioner Hall responded "Not exactly but there were issues raised and that is the way it should be." Mr. Howard stated "My plan was to go through each department like we did last year to see if there are any questions on any line items in those departments." Chair Lucas responded "That is what I am suggesting, come prepared to ask questions about each department." Commissioner Hall stated "Then we are in agreement. I cancel all of that out that I said." Chair Lucas stated "I am prepared to go line item by line item but I will not. It is a personal preference for me."

Mr. Howard asked "Well I guess the next thing is when do we want to meet next?" Chair Lucas responded "ASAP."

The next budget workshop is scheduled for Thursday, May 23, 2013 at 5:00 p.m.

Chair Lucas stated "I have something that I need to mention because it was brought to my attention and I think Commissioner Travis is aware of it as well. These are photographs of flooding at the Register of Deeds office yesterday." Mr. Howard responded "I was called yesterday about 1:00 or 1:30 and..." Commissioner Hamlett stated "It rained yesterday." Chair Lucas continued "The issue at hand is what created this because it was not only the Register of Deeds and they are really concerned about the records being destroyed but it came in the Tax Office as well in Sylvia's office. The carpet is wet back there." Mr. Howard stated "This is the first time I have been aware of this." Chair Lucas responded "She said this was the third time." Mr. Howard stated "They have not told me about any other times." Chair Lucas continued "It has been since the parking lot has been put in." Commissioner Travis stated "What they think is happening is maybe the drain has been dug up out there and paved over. Surely they had more sense than that." Mr. Howard responded "What we are doing is Maintenance is going to test each of the drains..." Commissioner Travis stated "Well I went over there today the drain out there in the front where the cement is there was about 3 or 4 holes open and the rest of it there is no water going in it. That is the only cement out there. I think there is one on this side and then there is one down here. I still think some of that water is coming down the wall from the side." Mr. Howard responded "The water in the Tax Office had to come down the wall." Commissioner Travis continued "Well if you will go over there and look at it you will see where the water did not get up as high as it showed where it ran down. That drain is not taking it out and all that water is in that grass there it will go through that wall if there is a crack or if it ain't sealed. Years ago before I was on the board they dug a ditch and put a drain in and sealed that

wall and all.” Chair Lucas stated “They correct that...” Commissioner Travis stated “But now we have that same problem again.” Chair Lucas continued “Maybe the parking lot is covering the drain.” Mr. Howard stated “We have talked with Dennis and he was going to talk to the site contractor and have him to come out and look at it.” Commissioner Hamlett stated “The first thing is to clean those drains out.” Mr. Howard responded “That is what we are working on now.” Commissioner Hamlett continued “Like Travis said we need to clean them out because that might be the problem.” Commissioner Travis stated “There is a drain going through that wall right there. I reckon it turns and goes right down beside the building right?” Mr. Howard responded “Yes sir.” Chair Lucas stated “The concern of the Register of Deeds is there is damage in her office and it could possibly damage the older records that are there.” Commissioner Travis stated “She thinks that the cabinets might need to be raised up and cleaned underneath. What I am saying for the time being if they could raise them up an inch until we get this problem straightened out it might solve some problems and save those records in there.” Mr. Howard stated “I think the water may be coming from that drain and going in beside the wall.” Commissioner Travis stated “In Sylvia’s office it has to be coming in from the other way. That office has carpet in it so it will be musty and smelling in there if you don’t watch it.” Commissioner Carter stated “They have been working on that storm drain on North Avenue and that had water running into the jail lift station. It was not supposed to but it was full yesterday.” Commissioner Travis stated “That parking lot out there is actually higher than their offices are.” Chair Lucas asked “As far as the older records being taken care of?” Mr. Howard responded “We will get the cabinets raised.”

Commissioner Carter asked “What about the water standing out front of this building?” Commissioner Hall stated “I had to roll my pants legs up to get into the building.” Commissioner Travis stated “That right there is enough to make me sick. They ruined the looks of it when they repaved it and it didn’t do anything to fix it.” Commissioner Carter stated “They covered up the drain.” Commissioner Travis responded “They are trying to make the water to go around the curb and go back down but yesterday I got my feet wet coming in here and it has just started raining when I came in.

RECESS

At 5:10 p.m. Commissioner Hamlett moved, seconded by Commissioner Jefferies to recess the budget work session until Thursday, May 23, 2013 at 5:00 p.m. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Cathy W. Lucas
Chair
